

MINUTES
BOATING AND WATERWAYS COMMISSION MEETING
REDDING, CALIFORNIA
October 3, 2007

Pursuant to due and regular notice, the meeting of the Boating and Waterways Commission was called to order by Chairwoman Clark, on October 3, 2007, at 8:32 A.M., at the Red Lion Inn Hotel, Sierra Room, 1830 Hilltop Drive, Redding, California.

ROLL CALL

Commissioners Present: Lenora S. Clark
 Douglas W. Metz
 H.P. "Sandy" Purdon
 Warren E. Rupf

Commissioners Absent: Edward C. Reno III
 Robert Y. Nagata

Department of Boating and
Waterways Personnel Present: Raynor Tsuneyoshi, Director
 Bill Cunningham, Deputy Attorney General
 David Johnson, Deputy Director
 Steve Watanabe, Chief, Facilities Division
 Harold Flood, Manager, Facilities Division
 Denise Peterson, Manager, Operations
 Debra DeVerter, Chief, Administration
 Amy Rigby, Associate Government Program Analyst
 Margarita Sanchez, Administrative Assistant
 Gloria Sandoval, Public Information Officer
 Renae Anub, Staff Analyst

CLOSED SESSION

Chairwoman Clark convened the meeting and announced commencement of the Closed Session. Following completion of the Closed Session, Chairwoman Clark continued with the public portion of the meeting.

OPEN SESSION

Chairwoman Clark welcomed everyone to the meeting. She asked Mr. Cunningham to report out on the Closed Session.

Mr. Cunningham, Deputy Attorney General, stated he is sitting as counsel for the Boating and Waterways Commission, since Department is without counsel. Mr. Cunningham reported that the Boating and Waterways Commission met in Closed Session and discussed facts that suggest possible litigation and pursuant to Government Code Section 11126(e), in which the Commission may meet with its legal counsel to deal with possible issues that may involve the Commission and subsequent lawsuits.

APPROVAL OF MINUTES

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Metz that the Boating and Waterways Commission minutes of the June 29, 2007, meeting be approved. The motion carried unanimously.

CHAIRWOMAN'S REPORT

Chairwoman reported on the meeting she and Commissioner Rupf attended with Parks and Recreation Commissioners, Jack Bayliss and Acquanetta Warren on September 21, 2007 in the Board of Equalization's conference room in Culver City.

Chairwoman Clark stated after exchanging pleasantries and sharing personal and professional background information of all Commissioners the reason for requesting the meeting was discussed. The meeting, she said, was arranged for the Commissioners to look for ways to improve the boating experience for California's boaters in the Parks system. Chairwoman Clark reported it was agreed to schedule follow-up meetings to facilitate ongoing dialog between the Commissioners in areas of mutual concern and emphasis on boating in Parks as well as funding. It was agreed, she said, that the commissions would schedule additional two on two commissioners' meetings quarterly with a possible annual meeting of all commissioners of both Boating and Waterways and Parks and Recreation.

Chairwoman Clark said funding was discussed. She said it was also discussed whether through coordination and collaboration, the Parks Commission might work towards acquiring additional appropriations from the State's General Fund thereby alleviating the need for funds that had previously been earmarked for the Department of Boating and Waterways.

Chairwoman Clark reported the meeting enabled the commissions to start an open line of communication and to move forward in the best interest of the Departments, Commissions and the public they serve.

Chairwoman Clark gave a status on the Delta Vision Stakeholder Advisory Committee. She said the committee has been meeting and attempting to provide a vision on how the Delta is going to be managed and sustained to continue to provide water resources to 24 million Californians. By the end of the year, she added, the committee will provide to the Blue Ribbon Committee at least two vision statements which will be provided to the Governor and Legislature.

Chairwoman Clark presented a plaque on behalf of the Pacific Inter-club Yachting Association (PICYA) to Mr. Tsuneyoshi and Mr. Johnson for their assistance with the PICYA's Opening Day on the Bay. She said the Mr. Tsuneyoshi was the Grand Marshall and the Department provided boating safety information items to the participants.

Chairwoman Clark noted that Commissioner Purdon has been the recipient of many awards for his Clean Marina Program and asked him how many marinas are now certified with his program. Commissioner Purdon responded that there are 64 clean marinas certified. He thanked the Harbor Masters and Port Captains Association and Marina Recreation Association for their support in the program.

DIRECTOR'S REPORT

Mr. Tsuneyoshi recognized and presented an award to Mr. Ken Johnson. Mr. Johnson, he said, has been attending Boating and Waterways Commission meetings since the late 1970s and has been a member and former president of the California Marine Parks and Harbors Association and has provided many inputs to the Commission on many different topics over the years. Mr. Johnson is a strong supporter of the Commission and the Department and as an engineer has designed many excellent boating facilities throughout the state. Mr. Johnson thanked the Department and Commission for the award. He said he has attended so many Commission meetings and worked on so many projects that it felt like he was working for the Department. Mr. Johnson stated he has enjoyed attending the Commission meetings and especially enjoys the field trips.

Mr. Tsuneyoshi thanked everyone involved in the Commission field trip to Trinity Lake, especially the United States Department of Agriculture's Forest Service. He said the field trip included visits to boat launching facilities at Bowerman, Clark Springs and Trinity Center, all of which were being considered for funding at today's meeting.

Mr. Tsuneyoshi reported on the meetings he had with Senator Tom Torlakson, who had concerns about the Department grant for the construction of a new boat launching facility in Contra Costa County. Mr. Tsuneyoshi reported that the Antioch City Council considered the project at their recent meeting and there were no negative comments, so the concerns Senator Torlakson had have been alleviated.

Mr. Tsuneyoshi said Department staff recently reported to the National Association of State Boating Law Administrator's conference on the "Wear It California" lifejacket campaign. California, he said, served as a model for the nation to determine if there is extensive publicity

outreach about lifejackets will the lifejacket wear rate increase. Mr. Tsuneyoshi stated the survey consisted of questions that will help understand why people do not wear life jackets. He added a light weight and stylish inflatable over the shoulder and belt type of lifejacket was introduced on this campaign. Mr. Tsuneyoshi reported there was positive feedback and interest to implement such a campaign in other states. He gave thanks to Department staff members Ms. Sandoval and Ms. Bota for heading the California campaign.

Mr. Tsuneyoshi reported that Assemblymember Mike Duvall has indicated that he will re-introduce legislation in 2008 requiring mandatory education for motorboat operators in California. A meeting will be scheduled before January, he said, to discuss the proposed 2008 legislation. Mr. Tsuneyoshi thanked Chairwoman Clark and the Recreational Boaters of California for taking the lead on this issue and for the countless hours in outreach and discussions they have contributed to this very important issue. He noted that a mandatory education bill was introduced in 2007, but there were some political problems that stopped the bill from moving forward. Mr. Tsuneyoshi stated most of the problems now have been resolved.

Mr. Tsuneyoshi stated the Cal Boating exhibit at the California State Fair was a success and at the opening ceremony two Distinguished Public Service awards were presented to outstanding individuals, Paul Newman (U.S. Coast Guard) and Chairwoman Clark. In attendance, he said, was Lieutenant Governor John Garamendi, who gave a brief congratulatory speech about the Department and boating. Mr. Tsuneyoshi reported over 100,000 State Fair visitors came and viewed the Department's exhibit.

Mr. Tsuneyoshi congratulated Commissioner Purdon for being the 19th recipient of the "Perpetual Roger Revelle Award". The award is provided annually to a San Diegan who demonstrates personal initiative in encouraging stewardship of the world's precious ocean resources. Mr. Tsuneyoshi acknowledged Commissioner Purdon's achievements of bringing the America's Cup back to the United States and the founding of the California Clean Marinas Program.

Mr. Tsuneyoshi reported on the dedication ceremony of Humboldt State University's Boating Instructional Safety Center. He said the Department has contributed over \$5 million for construction, boating equipment and scholarships for the center. Mr. Tsuneyoshi added the center promotes healthy lifestyle choices by providing people of all ages instruction in water sports that promote fitness and exercise.

The Department, Mr. Tsuneyoshi said, is currently working with the California Association of Harbor Masters and Port Captains to properly define the word "unseaworthy" for vessels. He said the definition may be used in legislation in 2008. Mr. Tsuneyoshi stated the word needs to be defined because abandoned watercraft vessels need to be established as unseaworthy in order to commence the removal process.

Mr. Tsuneyoshi thanked Department staff for a job well done on the new yacht and ship broker license examination which is now being used.

Mr. Tsuneyoshi introduced new Department staff; Denise Peterson, manager, Phaedra Bota, manager, and Gloria Sandoval, Public Information Officer. He added the Department is in the process of hiring a new attorney.

Chairwoman Clark changed the order of the agenda and asked that Mr. Flood proceed with agenda item 7, the Consent Calendar.

CONSENT CALENDAR

Mr. Flood presented the Consent Calendar to the Commission for approval.

Mr. Flood stated that the Consent Calendar items are projects that the Commission has approved in the past and blanket authorizations. He said the Commission has asked staff to limit consent calendar items to phases and authorizations up to \$4,000,000. Mr. Flood said there are six grants and Blanket Authorizations for emergency loans, ramp repair and extension and signs. He indicated that Skippers Point was pulled off the Consent Calendar because the U.S. Bureau of Reclamation said they no longer want the grant funds and will not be signing the contract.

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Metz that the Commission approve the Consent Calendar. The motion carried unanimously.

CONSIDERATION OF PUBLIC GRANTS

Mr. Flood presented to the Commission for its advice and consent the following requests for public grants.

Balls Ferry Boat Launching Facility

The County of Shasta has applied to the Department of Boating and Waterways for grant funds of \$810,000 to make improvements to the Balls Ferry Boat Launching Ramp. This report concerns Phase I grant funding of \$179,000 for this project.

Balls Ferry Boat Launching Facility is located on the Sacramento River in the County of Shasta about 18 miles southeast of Redding and 6 miles east of Anderson.

Mr. Flood indicated the proposed project includes replacing the current boat ramp; a boarding float will be added. The parking area will be resurfaced and curbs replaced. The existing restroom will be demolished and a relocated pre-cast vault restroom will be installed closer to the barrier-free access parking areas. New sidewalks and lighting will be provided, as well as a concrete project sign, low-maintenance landscaping, and ancillary items.

Mr. Flood noted that Commissioner Metz visited the site.

Shasta County representatives, Steve Preszler, Supervising Engineer; Niel McAuliffe, Associate Engineer and Sue Crowe, Accountant, were available to answer any questions from the Commission.

Mr. McAuliffe said the Board of Supervisors is in support of this proposed project and boaters are enthusiastic about the project. He said the facility is extremely well used throughout the year.

Commissioner Rupf asked who will pay for the \$16,200 permit fees and for the \$27,000 for inspection. Mr. McAuliffe responded they have projected what the permit process will be and the Department of Fish and Game will issue some permits. Mr. Flood added that the permit funds listed in the Feasibility Report are built into the formula automatically and are a percentage of the total estimated construction cost. He said typically if the county or the grantee is the entity who will be receiving the fee, they will cover the permit fee. Commissioner Rupf asked if it is part of the grant language. Mr. Flood responded that it is not part of the grant language. Commissioner Rupf said it should be considered part of the grant language. He said the recipient agency, in this case Shasta County, should not charge back to the grant for permits or inspections. Mr. Flood stated that construction inspections may be done by some entity other than the County. They might not be doing the construction themselves. Commissioner Rupf said he is not looking for some technical maneuver to get around it by hiring someone else to do it as opposed to the county inspectors doing it. He asked if any of the inspections or permit fees would be charged by the county to the grant. Mr. McAuliffe responded that none of the fees would be charged by the county. He said they have done other projects in the past and Shasta County has not charged for its inspectors and that there is another department that does inspections for outside projects. Chairwoman Clark asked if it is the county's inspector that will be tasked to be the project manager. Mr. McAuliffe responded it is too early in the project to be able to answer that question.

Commissioner Metz said he is in support of approving the grant and asked if the project will include dredging or clearance of obstacles at the low water mark. Mr. Flood responded that the Department's engineers have suggested that clearance of obstacles be included in the proposed project. Commissioner Metz stated that the Feasibility Report does not make any reference to dredging. Mr. Flood responded that dredging could be added to the Feasibility Report in the next funding phase of the project, if necessary.

Ms. Crowe stated that dredging is necessary; currently the sheriff's department cannot launch when the river is low. This area is where the primary launches are for Shasta County Sheriff for search and rescue activity. Dredging would allow them access.

Mr. Flood stated staff recommends that the Boating and Waterways Commission consent to Phase I grant funding of \$179,000, to the County of Shasta for improvements to the Balls Ferry Boat Launching Facility.

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Rupf that the Commission approve Phase I

grant funding of \$179,000 to the County of Shasta for improvements to the Balls Ferry Boat Launching Facility. The motion carried unanimously.

Commissioner Rupf asked if it is known how many grants result in an under expenditure or if it even happens. Mr. Flood responded it happens occasionally but not often. Commissioner Rupf stated that in the proposed projects that may get approved at this meeting there is \$335,000 for permits and inspections. Mr. Flood said part of the reason that a project does not come under budget is that the permitting process is taking much longer than it used to; time limits cannot be met at no fault of the grantee. He said permits cannot be obtained that quickly.

Commissioner Rupf asked what the escalation is. Mr. Flood responded that the escalation is built in for inflation of construction and unexpected items, such as, contingencies. The Department will not go above the amount listed for engineering and inspection. He said, if for some reason engineering or inspection go above the amount listed, the grantee will cover it, the contingencies are for construction items only. Mr. Flood added Department staff is working on changing the way the Department goes through this process and in the future will break it down into three processes. He said the first one will be a concept scope, which would come before the Commission for considerations. The next phase is for plans and specifications. Construction funding would not be considered until it is known how much the project will cost. Mr. Flood stated that this make take a couple of years to develop. Commissioner Rupf stated that chances are the only real discussion on this project will occur here today and the Commission will see a consent item where the Commission typically does not see one. Mr. Flood responded that, if the Department or grantee, make a change to add or remove a scope item the project, it will not go on the consent calendar; it will come back for Commission consideration.

Chairwoman Clark stated with respect to the Antioch project, the meeting with Senator Torlakson that was mentioned in the Director's report, was about whether certain mitigations were taken care of prior to the Commission approving the project. She said Senator Torlakson's staff was led to believe that mitigations were not looked at on prior projects and that there is now a different process. Chairwoman Clark said the new process has not been written down into the procedures, but is now going forward with new projects. Mr. Flood said yes, it is part of the new process and mitigation will be moved up in the process long before construction. He added that because of the way the budget is done, projects that are now being considered by the Commission were started about 1 ½ to 3-years ago.

Ord Bend Boat Launching Facility

The County of Glenn has applied to the Department of Boating and Waterways for a grant for improvements to the Ord Bend Boating Launching Facility. This report concerns the total grant funding of \$579,000, for this proposed project.

Ord Bend Boat Launching Facility is in the community of Ord Bend, located in Glenn County, approximately 70 miles northwest of Sacramento.

Mr. Flood indicated the proposed project will include construction of a new two-lane boat ramp and installation of one boarding float. The parking area and access road will be resurfaced and new sidewalks will be constructed. There will be some refurbishment of the restroom. Lighting and security measures and a new concrete project credit sign will also be installed.

Mr. Flood indicated that Commissioner Metz visited the proposed project site. Commissioner Metz reported that there is a significant need for improvement and recommends approval.

Glenn County representatives, Daniel Obermeyer, Director, and Jackie Billings, Development Manager, were available to answer any questions from the Commission.

Mr. Flood stated staff recommends that the Boating and Waterways Commission consent to total grant funding of \$579,000 to the County of Glenn for improvements to the Ord Bend Boat Launching Facility.

MOTION: It was moved by Commissioner Metz and seconded by Commissioner Purdon that the Commission approve the total grant funding of \$579,000, to the County of Glenn for improvements to the Ord Bend Boat Launching Facility. The motion carried unanimously.

Bowerman Boat Launching Facility

The United States Department of Agriculture Forest Service has applied to the Department for a grant for improvements to the Bowerman Boat Launching Facility. This report concerns the total grant funding of \$1,305,000.

Bowerman Boat Launching Facility is located on Trinity Lake, approximately 170 miles northwest of Sacramento and 50 miles northwest of Redding and operated by the United States Department of Agriculture Forest Service. The boat launching facility is located 26 miles from Weaverville on Highway 3.

Mr. Flood stated the proposed site was visited by the Commission on yesterday's field trip.

Mr. Flood indicated the proposed project consists of replacement of the lower portion of the boat launching ramp, a new boarding float, resurfacing of the parking area, construction of a new restroom, rock slope protection, an informational kiosk, and a project credit sign.

Mr. Flood said the site was visited by the Commission yesterday and noted that the proposed project's parking area was already resurfaced by the concessionaire, so that amount will be taken out of the total amount requested. He said the amount of \$385,000, for resurfacing of the parking area will be subtracted from the total amount indicated in the Feasibility Report.

Commissioner Metz mentioned it is excellent that the concessionaire resurfaced the area, thereby removing \$385,000 from the grant. He asked if there are other opportunities to encourage concessionaires to assume some of the improvement costs. Mr. Flood responded that typically there are not concessionaires on these proposed projects, and it would depend on the individual contract between the grantee and the concessionaire. He said the Department's contract with the grantee does specify if the boat launching facility is going to be under concession agreement, the concessionaire can only charge up to the maximum and the money collected has to be for operations and maintenance of that facility.

Mr. Tsuneyoshi stated that the total grant of \$1,305,000 minus \$385,000 for resurfacing of parking area leaves the total amount of the grant to be \$920,000.

United States Department of Agriculture Forest Service representatives, Stephanie Joyce, Forest Landscape Architect and Gene Rand, Facilities and Road Engineer were available to answer any questions from the Commission.

Mr. Flood stated staff recommends that the Boating and Waterways Commission consent to total grant funding of \$1,305,000 minus \$385,000 to the United States Department of Agriculture Forest Service for improvements to the Bowerman Boat Launching Facility.

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Metz that the Commission approve the total grant funding of \$1,305,000, minus \$385,000 to the United States Department of Agriculture Forest Service for improvements to the Bowerman Boat Launching Facility. The motion carried unanimously.

Clark Springs Boat Launching Facility

The United States Department of Agriculture Forest Service has applied to the Department of Boating and Waterways for a grant for improvements to the Clark Springs Boat Launching Facility. Total grant funding of \$658,000 is being considered for this proposed project

Clark Springs Boat Launching Facility is located on Trinity Lake, approximately 170 miles northwest of Sacramento and 50 miles northwest of Redding and is operated by the United States Department of Agriculture Forest Service. The boat launching facility is located 17 miles from Weaverville on Highway 3 and is on the middle fork of the Stuart Fork arm of the lake.

Mr. Flood stated the proposed site was visited by the Commission on yesterday's field trip.

Mr. Flood indicated the proposed project consists of widening of the boat launching ramp, a new boarding float, construction of a new restroom, rock slope protection, a walkway, an informational kiosk, and a project credit sign.

United States Department of Agriculture Forest Service representatives, Stephanie Joyce, Forest Landscape Architect and Gene Rand, Facilities and Road Engineer were available to answer any questions from the Commission.

Commissioner Purdon asked who tends to the boarding floats. Ms. Joyce responded that the concessionaire takes care of the boarding floats as part of their operations and maintenance.

Commissioner Rupf asked about the information kiosk and how is it different than the signs that are now at the proposed project site. Ms. Joyce responded the cost is to update the current signs, which are made out of wood and will not last the 20 years of the project.

Commissioner Rupf said he understands that USDA Forest Service will not allow the use of federal funding for construction and asked if there is a signage budget. He said the current signs do not have anything on them that is boating related. Ms. Joyce responded that she is sorry she did not point out the low water boating maps that are on the signs which show the hazards on the lake during different draw down levels. She added there is no signage budget and there is very limited budget for improving recreation sites.

Mr. Flood stated staff recommends that the Boating and Waterways Commission consent to total grant funding of \$658,000 to the United States Department of Agriculture Forest Service for improvements to the Clark Springs Boat Launching Facility.

MOTION: It was moved by Commissioner Rupf and seconded by Commissioner Metz that the Commission approve the total grant funding of \$658,000 to the United States Department of Agriculture Forest Service for improvements to the Clark Springs Boat Launching Facility. The motion carried unanimously.

Trinity Center Boat Launching Facility

The United States Department of Agriculture Forest Service has applied to the Department of Boating and Waterways for a grant for improvements to the Trinity Center Boat Launching Facility. Phase I grant funding of \$190,000 is being considered for this proposed project. The total estimated cost is \$2,082,000.

Trinity Center Boat Launching Facility is located on Trinity Lake, approximately 170 miles northwest of Sacramento and 50 miles northwest of Redding and is operated by the United States Department of Agriculture Forest Service. The boat Launching facility is located 30 miles from Weaverville on Highway 3 and is on the northwest side of the lake on the main arm.

Mr. Flood stated the proposed site was visited by the Commission on yesterday's field trip.

Mr. Flood indicated the proposed project consists of construction of a boat launching ramp with a turnaround, a new boarding float, resurfacing of the parking area, construction of a new restroom, rock slope protection, an informational kiosk, and a project credit sign.

United States Department of Agriculture Forest Service representatives, Stephanie Joyce, Forest Landscape Architect and Gene Rand, Facilities and Road Engineer were available to answer any questions from the Commission.

Commissioner Purdon asked if this proposed project has a concessionaire. Mr. Flood responded it does have one. Ms. Joyce added that this parking lot will need more work than Bowerman Boat Launching Facility because it needs to be restructured and reconfigured.

Commissioner Metz asked how is the budget of \$190,000 going to be spent. Ms. Joyce responded that the money will be used for survey and design.

Chairwoman Clark asked that Mr. Flood and staff to work closely with Ms. Joyce and the concessionaire and maybe get the \$387,000, which is for the parking area, to be reabsorbed, if possible. Mr. Flood responded that it will depend on the contract with the USDA Forest Service and the concessionaire. He said Department staff will look into what the contract states and work with them. Ms. Joyce asked if the option can be kept open. Mr. Flood was asked if the Department strictly adheres to the cost estimate. Mr. Flood responded the Department typically allows funds to be used for construction of the proposed projects as needed. It is understood that these are estimates and once you get started things will change. We do not, however, increase engineering and permitting amounts.

Commissioner Metz asked if there is a budget for the Phase I funding and how does the Department determine what Phase I should be. Mr. Flood responded Department staff determines what is in the first phase by how much money is available. He added when the budget is put together, the Department tries to get at least 10 percent of the total cost for the project to start plans and specifications to get the project moving. Mr. Flood stated that when this budget was put together for submission, the project was estimated to be a \$1.9 million project but the Department's engineers indicated it will cost more. It is now \$2.1 million; the \$190,000 was submitted to the Governor's budget and could not be changed.

Mr. Flood stated that staff recommends that the Boating and Waterways Commission consent to the Phase I grant funding of \$190,000 to the United States Department of Agriculture Forest Service for improvements to the Trinity Center Boat Launching Facility.

MOTION: It was moved by Commissioner Purdon and seconded by Commissioner Metz that the Commission approve the Phase I grant funding of \$190,000 to the United States Department of Agriculture Forest Service for improvements to the Trinity Center Boat Launching Facility. The motion carried unanimously.

Chairwoman Clark complimented Mr. Flood's staff on the redesign of the Feasibility Report. She asked that for future proposed projects, that are to be phased funded, she would like to see the different phases budgeted in the Feasibility Report. Mr. Flood responded that he will try to have the phases included in the report.

Chairwoman Clark asked that agenda item 10 (B) be heard next since there is a commission member that needs to leave early.

NEW BUSINESS

Public Loan Interest Rates

Chairwoman Clark stated that a previous Commission meeting, when going through the recommendations for various projects, a Commissioner was concern about the interest rate that the Department of Boating and Waterways charges. A handout on the Department of Boating and Waterways' interest rates was available to the public.

Mr. Flood explained the agenda item 10 (B) handout. He said the graph illustrates how the Department's interest rate to publicly owned marinas compared with the rates of 10-year Treasury Bond, the Federal Discount, and the Surplus Money Investment Fund. He said the Surplus Money Investment Fund is the rate that the Department earns on money before it is lent or granted.

Mr. Flood said the graph shows how the public loan interest rate has fluctuated along with the other interest rates until about 2002. He said in 2002 the interest rates were very low, but the Department interest rate maintained stability. Mr. Flood reported the last interest rate change that the Department recommended and the Commission consented to was in 1992. He added the rate the Commission consented was about 1 ½ percent below the prime rate at that time. Mr. Flood noted that since 1992 the Department has not followed the prime rate because the prime rate fluctuates more than any other rate. He said if the Department were to have followed the prime rate, it is doubtful there would have been many Department loans made in the last 10 years.

Mr. Flood stated in the past, the interest rate has been determined by the Department and the Department then recommends changes to the Commission who give advice and consent on the issue.

Commissioner Metz asked how frequently the Department has gone to the Commission to keep them apprised of the current interest rate, and for recommendations to continue at the current rate or make changes. Mr. Flood said this is the first time it has been brought up in the nine years he has been with the Department. Commissioner Metz suggested that periodically this matter should be discussed. He asked what the philosophy is that guides the Department at maintaining a constant 4 ½ interest rate beginning in 1993 until 2007. Mr. Flood responded that the Department is currently following its mission statement which is to provide access to California boaters and by maintaining steady interest rates, it is easier to entice entities to use the money to

build or redo some of the boating facilities. Mr. Flood reported that there are very few facilities loans for new construction, only two in the last couple of years. Commissioner Metz responded that even with the constant interest rate, there is a concern by Department staff that the number of loan applications is low and to increase the interest rate at this time would further discouraged loan applications. Mr. Flood responded yes it would discourage loan applications. He added that for a couple of years, the legislature and the Department of Finance have been directing \$27 million away from the Department for use by State Parks. This reduced the funds available for construction. Prior to this action, the Department had committed to funding three large loan projects. Mr. Flood said there that a number of entities have informed him that they are not coming to the Department for loans or grants because they believe there is no money available. Increasing the interest rate will force them to look elsewhere.

Commissioner Metz asked what the competition for the loans is. Mr. Flood responded that the competition is revenue bonds. The interest rate on municipal bonds is lower than the normal bond rate. Commissioner Metz asked if there has ever been a loan applicant that withdrew its application because they claimed to have found alternatives forms of funding. Mr. Flood said applications have been withdrawn and gone to other forms of funding, such as, the City of San Francisco who withdrew a \$10 million loan and went with bond funding.

Commissioner Purdon asked what the difference between the private and the public interest rates is, where did it originate, and is there legislation that dictates that it has to be different. Mr. Flood responded that the private loan rate was actually built into the legislation that created the program but when the program for municipalities was created there was nothing written about how the interest rates were to be determined. He said when the private marina program was created the legislature dictated that the interest rate would be prime plus two percent which was changed a few years ago to prime plus one percent. Commissioner Purdon asked if the public loan was prime plus one, like the private, does the Department believe many applicants would go to bond funding. Mr. Flood said some would go for bond funding which is cheaper but only available if voted on.

Commissioner Purdon stated for the record, it is unfair in the competition for marinas and slips that a municipality has a number of built in advantages over the private sector. Mr. Flood responded that the municipalities do have an advantage on the interest rate, but they have a number of services that they have to provide that the private sector does not have to. He said for instance if the City of San Francisco wants to build a marina, it has to be open to the public and a boardwalk has to be built all the way around it that is accessible to anyone at anytime. Commissioner Purdon responded that as a private marina owner on leased land, like the Port of San Diego, they have to have the same thing. Mr. Flood said the Port of San Diego is an unusual situation, and is not the standard statewide. He said most marinas are on lakes and most of the facilities are inland. Commissioner Purdon stated that maybe there should be more discrimination between lakes and salt water. Commissioner Rupf asked, if the Department is loaning money, could there not be a condition on the loan requiring whatever access the Department deems appropriate and consistent throughout the state. Mr. Flood responded it can be done, but then you may not get any private borrowers because you will be forcing them to increase their rates in order to pay back loans for things they would not normally have to do. Commissioner Purdon said the Department is not allowing equal opportunity to money because

there is 10 or maybe 50 times more money available to the public marinas than there is to the private marinas. Mr. Flood responded it is based on the actual applications. He added that up through 1998 the Department had used the money available for private marina loans, but between 1998 and 2004 the Department reverted money back each year. Mr. Flood indicated that the interest rate was high for private borrowers because prime was up and then it started to fall but legislation only allowed the Department to spend 50% of the budgeted money for any single borrower.

Public Comment

Robert Hammond, representing Marine Recreational Association (MRA), stated there should be a level playing field for everyone and that more individuals would obtain more Department loans if the interest rates were even. The public side is being subsidized by having access to the low interest rates and MRA opposes leaving the interest rates as is and would like to see a leveling of the playing field.

Ted Warburton, representing California Association of Harbors Masters and Port Captains (CAHMPC), and the City of Brisbane stated that in 1983 the City of Brisbane, started construction on their 580 berth marina and in 1981 they had come to the Department for loan funding to build the marina and were unable to reach an agreement on interest rates and the actual loan documents. Therefore, he said, the City of Brisbane went out and floated revenue bonds to build and make the improvements out at Sierra Point. Mr. Warburton said the bonds have been paid off over time with smart refinancing through the City. He stated the Department of Boating and Waterways was not competitive at that time with city and municipal's funding opportunities and that is why the City of Brisbane went outside for funding.

Mr. Warburton said he spoke to Jack Alderson and Dave Monroe for historical information on the Department's private funding program and the Commission at that time. He said the interest rates were high at that time and needed to be stabilized and a 4.5 % interest would allow taxpayers money to fund public facilities and was a proper use of public funds. Both individuals, he said, continue to believe it is true today. Mr. Warburton said Mr. Monroe at that time was a board member of MRA; unfortunately Mr. Alderson and Mr. Monroe could not attend today's meeting. He said the process of the private loan funding prime plus one was a dog fight at that time and the legislature at that time had serious problems with taxpayer's money going to private marina operators and the agreement was made that the Department would maintain the 4.5% interest for public loans and that the current law of prime plus one would not compete with the public or private sector. Mr. Warburton said the CAHMPC is for making some revisions to the Harbors and Navigation Code to make public funds more available to private marina operators to access those funds. He said, in looking into the future for the infrastructure that will be needed for projects like San Francisco, there will be less Department money available to address the infrastructure needed in the next 20 years or sooner. Mr. Warburton commented the interest rate change should be addressed on a year to year basis and reviewed to see if the interest rate is doing what it was meant to do and the Commission should be properly funding the kinds of facilities that are needed for the general public in having accessibility to recreational boating. He said his industry is interest rate sensitive and slip sensitive. Mr. Warburton stated the San Francisco Bay has an 82% occupancy rate and there is not a high demand facility throughout the

San Francisco Bay area, so if interest rate and CPI go up, the cost has to be passed on to the boaters. He said of his neighboring marinas, one is public and one is private and the berth rates are very close. But in other parts of the state it is not the case. In Southern California, where there is a very high demand for facilities, the rates can fluctuate more because of higher demand. Mr. Warburton strongly recommends the Commission to pass on any action on the interest rate issue. He strongly recommends the Commission stay focused on the public accessibility to recreational boating and ensuring it for funding.

Commissioner Purdon stated the private and public marinas are both serving the public and the same clients. He is concerned that there is no equal playing field for the private marina owner and as a public entity it is the Commission's job to level the playing field for the public. Commissioner Purdon said he is going to encourage the fair playing field, and not just in interest rates, be continued or be enhanced in the future for California.

Ted Warburton added that it is codified in the Harbors and Navigation Code that any public funds that go into private marinas have accessibility factors in them for the general public and the legislature may not wish to make a level playing field in that the private marina operator could very well be viewed as a corporate profit center as opposed to public accessibility. He said as an enterprise for the City of Brisbane, he has to make an adequate profit to be competitive but he also has to manage the facility in such a way so that he does not have to appear before the city counsel and say he is running a deficit this year. Mr. Warburton stated whether or not the level playing field question is ever going to be answered, it probably will be exercised at the level of the legislature.

Mr. Flood said to the "level playing field" idea, there is a difference between a public and private marina in that the Department does not require the private marina owners to follow all of the guidelines that the public marinas have to. He said the Department allows the private marina owners to do what they want to their facilities as long as they meet local codes; the advantage is for the private marina. Mr. Flood stated the Department is trying to get access to boaters throughout the state and that the funds, once they get out into the economy, are multiplying and are beneficial to the economy in many ways. He added that keeping the interest lower will benefit the economy.

Commissioner Rupf asked if the interest is in the boaters as it should be, then there should be fair access regardless where the money is spent. He said the tilt is to the governmental entity because millions of dollars are given out to them and not to the private sector. Commissioner Rupf stated if it is true that a borrower does not have to follow the same rules, then it should be looked into and the private sector should have the same restrictions, mandates, and obligations as the public sector. He said the competition is not just between public and private, and he has observed that there is a lot of competition between the public sectors. Commissioner Rupf noted that on one occasion a public marina said it needed a loan because they were uncompetitive with another marina which the Department had given a loan to upgrade the marina. He said if the boaters are the most important element in this, then there should be parity between the return on the investment of loan money.

Commissioner Purdon stated that of all the private marinas he knows that have private leases with government entities, more is required of private marinas than the public marinas. He said there were 17 different entitlement agencies he had to go through to get approvals as a public marina operator and developer. He said there should be some level playing field and no distinction should be made between the two.

John Cruger-Hansen, representing the Antioch Marina, stated he was a former Boating and Waterways Commissioner from 1982 to 1986 and very much involved in the interest rate issue. He said in 1986 at one of the Commission meetings it was discussed that entities were not coming in for loans because it was too expensive, so it was determined to lower the interest rate to 4 ½ %, which made a huge difference. Mr. Cruger-Hansen said the philosophy back then was to look out for the boaters' interest and the state's interest and make sure that the money from the Harbors and Watercraft Revolving Fund were spent in a proper manner and that the monies be repaid but also that the money would benefit the boaters of the state. He said the boaters needed to get the biggest bang for their money because it is their money. Mr. Cruger-Hansen added at that time there was no private marina loan program. He said he has been in the marina business for 33 years and had operated a private marina for 15 years and now operates a public marina in the San Francisco area. Mr. Cruger-Hansen stated as a private marina operator he had many more ways to generate funds than as a public operator. He said as a private marina operator, he also did boat repair business, yacht brokerage, and had many more ways to generate funds, but as a public operator he can not do that and is solely dependant on the slip rates. Mr. Cruger-Hansen said he is at 82% occupancy and the private marinas that he competes with have rates that are lower than his and he can not raise his rates. Another thing, he said, is the marinas are built on a very limited resource, the waterfront, and much of it is public owned and as a public agency, long term planning has to be done and without knowing what the interest rate will be, the city council will not know what their city is getting into in the future. He added that in Antioch they could go out and get bonds if necessary, but without a steady interest rate and a future steady interest rate it is very difficult for agencies to come forth and do the planning that needs to be done. Mr. Cruger-Hansen stated the bigger bang for the buck is what the Commission should look for and look at boating for everybody and not just the wealthy.

Commissioner Purdon said the "wealthy" comment is a little bit out of order. He said he has many boaters in his marina that have a tough time rubbing two nickels together and there may be some marinas that are focusing on some larger slips, but they are boaters too and have an equal right to have access to the water and they also put a lot of money into the communities for economy impact. Commissioner Purdon said it should be accessible to all people of any income brackets and the demand will dictate that. He said the biggest vacancy factor in marinas is in the smaller slips because these boats are being put on trailers. Commissioner Purdon said as a private marina owner, who has a government entity as a landlord, they require the last 20 % of the lease and there has to be a plan that is going to redevelop your project, so that every 40 years there will be a new marina being replaced and this is not the case in the public marinas. He said there are advantages the public marinas have such as bonds and redevelopment loans that are not available to the private marina owners. John Cruger-Hansen agreed and said the trend is the rates are going up and a number of people are being priced out of boating and many people are on fixed incomes. He said in his marina the 24' slips and the 19' berths are always full, it is the medium size of 32' berths that are vacant and the 50' slips are always full and have a waiting list.

Mr. Cruger-Hansen stated it is different between San Diego and the Delta and competition is there and the boaters are getting the advantage of that.

Commissioner Rupf said he does not own a big boat because he does not have money to buy a the boat and that has nothing to do with the cost of berthing it. We should keep in mind there are so many variables in the boating transaction and some of it is that both the public and private sector have to increase the fees in order to absorb the increase in the cost.

Commissioner Purdon added as a private marina owner if he has a derelict boat that he can not get rid of and has to take back on lien sale, he can not get funding from the Department to take care of it, but if he was a government managed and operated marina, he could get the funding to take care of the derelict boat. Mr. Cruger-Hansen responded by saying that his understanding is the local sheriff department can apply for the Department's Abandoned Watercraft Abatement funds and would be able to come into private operations and remove boats from them.

Commissioner Purdon said he had asked the Sheriff's department and was turned down. Mr. Cruger-Hansen stated the CAHMPC and Marine Parks and Harbor are very much for the fund and want to see derelict vessels removed wherever they are.

Dian Isley, President, California Association of Harbor Masters and Port Captains, said the interest rate issue has created a big concern for her association and she was asked to touch on some points from certain members. Ms. Isley stated that Linda McIntyre who runs Moss Landing Harbor, recently financed \$500,000 from her municipal financed corporation from her district at 4.95% and that the Department may want to do some research on what the interest rates are, because she feels the 4.5% should remain at this time and is at a competitive rate. Ms. Isley said the private rate at the moment is about 9.5%. She said CAHMPC is looking at proposing a legislation change to lower the private rates so that it is used and acceptable and closer to the public rate but not to increase the public rate. Ms. Isley noted that in the past couple of years the Department has been hit by the raid of the Harbor and Watercraft Revolving Fund and this has affected the projects. She added that the Department's phase funding has added an expense to the projects and planning has to be done so it is crucial to know what the numbers will be. Eric Endersby of Morro Bay Harbor, she said, would like it to be said that the public agencies provide more than just slips; they provide harbor patrol, launch ramps, public access docks, waste recycling, public improvements areas, and search and rescue facilities and there are some benefits to the public agencies that private agencies do not normally provide. Ms. Isley stated in listening to the comments, private companies based their rates on market demand and profit and that the public agencies are basing their rates on debt service and budgeting and that is two different takes on setting the berth rates. She said the issue is public access and making sure the public has access to boating.

Ms. Isley read a letter from Chris Norby, Chairman of the Board, Supervisor, Fourth District, County of Orange. Copies of the letter were provided to the Commission. The letter refers to the agenda item of interest rates. The letter states that the County of Orange is concerned that adequate time be made available to discuss the important issue and that any potential increase in the interest rates for loans such as the one the County is seeking for the Dana Point Harbor Revitalization Plan would have considerable negative impact on the project and many other

projects throughout the state. He encouraged the Commission to provide ample future discussion opportunities prior to any action being taken on the item.

Ms. Isley noted the recommendation on the interest rate issue is not coming from the Department of Boating and Waterways and that CAHMPC would like more conversations at a location that is easily accessible to the majority of marinas, whether in Northern California or Southern California. She stated there are numerous concerns and requests for participation in this discussion before any decision is made. Ms. Isley added she is aware that as a private marina operator, one can have the county sheriff assist in abandoned vessels.

Commissioner Purdon said that public marina operators that provide access to the county sheriff have a competitive edge over private marina owners. He said he would love to have the sheriff visible on numerous occasions at his marina. Commissioner Purdon stated that public access is no different at a private marina and a boater can easily have access to his marina. Ms. Isley responded that public marinas have to have their marina open to the public and private facilities can close off certain sections of their harbor or fund their own pumpouts and not have them open to the public. Commissioner Purdon responded the difference is there is no fair playing field because by providing certain things, there is a better competitive advantage which forces the private marina to do same as the public marina. He said that if the playing field is even, then the public has the advantage of picking and choosing where they want to go and what best suits them and is a competitive environment. Ms. Isley responded that getting the interest rate more competitive is what is being discussed today but with the funding issues, raising the rate is going to be detrimental to the public facilities and the boaters.

Commissioner Rupf stated that placement of access does not differentiate between public and private, it has to do with the marina operator offering some space and convenient service needs to the people. He said his office has vessels in private marinas and public marinas and with regards to derelict vessels, he said, the limitation depends on how much money is available and not a public and private issue. Commissioner Rupf stated that when legislation first became available there was about \$1 million available in the Department's Abandoned Watercraft Abatement Fund and because the money was not used in the first three years, the money available now is only about \$500,000. Ms. Isley responded that the private sector cannot obtain the grant funds for the abandoned vessels because it is only available to public agencies. She said one would have to go through the county sheriff for access to the funds. Ms. Isley indicated the abandoned vessels needs have changed over the past few years and there will be a lot more need for those funds. Commissioner Rupf added that all the money he obtains is exhausted and typically it is used outside of marinas getting rid of derelict vessels, some of which are completely submerged. Ms. Isley agreed with Commissioner Rupf.

Ron Canofacs, boater, stated that as a sailor, his main concern with the interest rates is that it will have an impact on berthing rates. He said the sailors at Antioch, where his boat is berthed, are retired and any kind of increase in berthing rates will have some effect on whether they will be able to maintain their boats.

Ken Johnson, representing California Marina Parks and Harbor, stated that the discussion today is all about "boaters", and as a private consultant he would work for either private or public

marina owners. He said over the last ten years when he talked with the Department about a beginning project, it was about \$20,000 to construct a slip and now it is about \$35,000 a slip. He said it is very expensive to put in a marina and whatever the Department can do to keep their interest rate as low as possible would help. Mr. Johnson said the Department is not out to make a profit, and if there is money left over after servicing the loan, it goes back into the fund where it should be and for the purpose it should serve. He said there was a time when there was not a private loan program and when discussions were made on the subject it was bad. Mr. Johnson said legislation was then passed and a position on the Boating and Waterways Commission was established and a private loan program was established. He added with the economy as it is today, if the Department could keep the cost of the interest on the loans down, it would benefit the boater.

Chairwoman Clark stated with the number of people speaking on the subject of interest rates, the Commission recognizes that placing this type of discussion on the agenda was going to peak the interest of many constituents. She added that she appreciated all of the comments and sentiments expressed by both the constituents and Commission members. Chairwoman Clark said we are all here to enjoy boating and provide boating access to the largest number of Californians possible and ensure a level of fairness. She acknowledged the letter from Orange County and for its recommendation for more opportunities for comments and input prior to making a recommendation to the Department. Chairwoman Clark acknowledged the fact that it is the first time this Commission has taken the lead on this issue. She said this issue on the interest rate will be put on a future agenda so that there will be more deliberation and for the Commission to be able to appoint or designate a committee to look into the issue.

Commissioner Metz agreed and added that there needs to be more input and time for consideration on this. He feels very strongly of Commissioner Purdon's point of trying to create as an objective whether the interest rate is deliberately kept low or whether it should be to a more competitive situation, but there should be an attempt to narrow the gap between the interest rates for the public and private sector. Commissioner Metz said the Department should want more "bang for the buck" and if it is fostering of competition between the public and private sector, then the Department should be looking at ways for suggesting or recommending that the legislature reconsider the current provision regarding the interest rate. He said an argument can be made that the current interest rate to private marinas be lowered providing that certain private marinas meet certain conditions. Commissioner Metz said this discussion should be continued at a future Commission meeting.

Strategic Planning

Chairwoman Clark asked for availability of a list of facility loans and grants being considered. Mr. Flood responded that if a preview of loans and grants that will be considered and put into the Governor's budget were made available then the Department would be doing it against the Governor's policy. He said a list can be given as to what projects are being proposed but not the amount of money that is being considered, or the final list the Department submits for inclusion in the budget.

Chairwoman Clark said she has a copy of the Guidelines for Marina Berthing Facilities dated 2005 and asked if all of the Commission members have a copy of it. Mr. Tsuneyoshi responded

that copies will be mailed to each Commission member. Commissioner Purdon asked that three copies be mailed to him.

Chairwoman Clark would like to have, at another meeting, discussions on the list the yacht brokers presented at the May Commission meeting. Mr. Johnson replied that he discussed the yacht brokers' list with the Department's Yacht and Ship manager and all of the recommendations would require legislative changes. He added some of the changes are currently being looked at by the Department. Chairwoman Clark asked for a copy of the list. Ms. Peterson responded that she would send her the list.

Chairwoman Clark asked if the Department could provide a dredging tool kit. She said she gets a number of questions from yacht clubs that have their own docks and marina about the ABC of dredging, etc. Mr. Tsuneyoshi responded that the Department is involved in dredging only when it is part of a refurbishing project. He added if the Department were to get involved in maintenance dredging, it would utilize all of the Department's funds. Chairwoman Clark said she does not want the Department to get involved in dredging, but asked if the Department could provide information on the subject to the public. Chairwoman Clark asked when the Department pays for dredging on a project are there any guidelines they must follow. Mr. Flood responded there are no Department guidelines.

Commissioner Metz said a large portion of the minutes from the strategic planning meeting was devoted to the need to monitor the loans and grants and services the Department provides to the boating community. He said it also indicated from staff that the Commission be active in marketing the Department's services. Commissioner Metz said he has heard that the amount of loan applications is not as numerous as before, so there seems to be a demand stimulation situation. He said high needs on infrastructure that are deteriorating and the demand for the resources that are available is decreasing, which implies a need for a marketing plan. Commissioner Metz said press releases of the approved loans and grants should be sent to all local officials, television and radio stations, state legislators in which the grant or loan is affected, and for federal funds, it should be sent to the representatives in Congress who represent the particular area. This, he said, would give maximum visibility to what the Commission and Department are doing. Commissioner Metz indicated that in a future meeting an agenda item of organized marketing approach to the services of the Department should be made. Mr. Tsuneyoshi responded that one of the problems is that in any given year the Department's budget gets cut and the loss of the \$27 million that goes to State Parks is felt. He said the Department needs about \$800 million for projects throughout the state. Mr. Tsuneyoshi added that the Department currently spends about \$35million for building and renovating projects annually. Commissioner Metz stated the Department should try to generate demand, thus putting pressure on the elected representatives to provide the resources to the Department to meet the demand.

Chairwoman Clark said one of the continuing questions from the legislature is regarding how many projects were denied or unfunded because of the \$27 million shortfall. She said the Commission members had to give a weak response because many people knew the Department did not have the money and so were not applying for funds. Chairwoman Clark stated if the Department had an on going strategy and there were a lot of projects that people were waiting on, it would bolster the request. Mr. Flood responded that currently if someone wanted to submit

an application for funding, there has to be a lot of work done, a plan has to be submitted, cost estimates and CEQA documentation has to be done, fees have to be paid and a lot of time and money has to be spent. Department staff, he said, has to then visit the proposed site and talk with representatives and then the application has to be submitted for consideration. Mr. Flood stated a new process will have the Department more involved in the planning process and the application can be accepted before a plan is submitted.

Mr. Cruger-Hansen said in order for a public agency to submit an application to the Department, it also has to go before the city, council or public body and everything has to be laid out ahead of time before an application is submitted. This, he said, would include funding, what the interest rate is, etc., so what Mr. Flood is suggesting, a public agency cannot do. Mr. Cruger-Hansen added that not even intent could be made before the council.

Mr. Cunningham stated that part of what the Commission can do and working with the Department, is to ask these same questions in public to be delivered to the Commission at the meetings. He said people across the state could come and say that they need these kinds of facilities, not any specific facility and the Commission could better advise the Department if it has a better handle on the problems and issues. Mr. Cunningham said the Department could make use of the advice without given specific details but at least get the advice on the general questions of what are the needs and what are the resources. He added that the Commission could be the first step where people could bring the basic questions of how much, who, where and when. Mr. Cunningham said the Commission can serve the public by providing an initial forum for people to come and speak about the need for facilities and monies. This, he added, can then be taken to the legislature and say here are the ten projects for this year, unfortunately 500 people wanted to apply but could not because of funding.

Commissioner Rupf commented on the remarks about Antioch's applying for grants. He said his experience with public entities is they receive approval to apply for a grant or to study a program all the time and there does not have to be a finished product. Commissioner Rupf said what is being discussed is attributed to the way the State conducts its business and the way is illogical. He said in a logical world individuals would identify their needs then develop a plan and then seek out funding vehicles, but as it is now, entities try to obtain the money that is budgeted and they do not have the project flushed out until there is some assurance that the money will be available.

Mr. Crueger-Hansen responded that every year he has to submit a 5 and 10-year capital improvement plan and that this could be submitted to the Department, but these reports are not official applications. He said this preliminary application may work in his favor because the Department can say there is possible funding and then he could go before the council and let them know there is a possibility for funding.

Commissioner Purdon left the meeting at 12:38 p.m.

Chairwoman Clark called for a break at 12:46 p.m.; the meeting resumed at 1:00 p.m.

NEW BUSINESS

2006 California Boating Accidents

Ms. Rigby, Department of Boating and Waterways, Boating Accident Analyst, gave an update on the Department's Accident Program. A copy of the *2006 California Boating Safety Report* was made available to the Commissioners and the public. She said the United States Coast Guard (USCG) mandates that all States have a uniform program to collect boating accident reports and that the report be forwarded to the USCG. The reports, she said, requires that a boat operator submits a boating accident report to the Department if it meets the criteria that a fatality or disappearance occurred, injury beyond first aid, or property damage of at least \$500 or a complete loss of vessel. Ms. Rigby said the information obtained in the report is confidential once it is received by the Department. She reported that the information obtained is used to find areas of concern and to find ways to mitigate the problems and the information is used to guide other Department's programs.

Ms. Rigby stated the information obtained from the report shows that 80% of boating accidents that occurred in the tri-state region of the Colorado River were from California and most lived in Los Angeles. She said in the future the Department will find out where the boaters are launching from and the path that boaters take to the Colorado River, so that safety information can be placed in the areas that will be visible to boaters.

Commissioner Metz stated that according to the report, San Diego County has the greatest number of accidents, more than Los Angeles and Orange County. He asked why and what is planned to target the area. Ms. Rigby said she will send him the information and talk to him later. Chairwoman Clark asked that Ms. Rigby and Ms. Bota attend the next Commission meeting in San Diego so that they may advise the Commission about the feedback that has been received about the Department's public service announcements.

LEGISLATIVE REPORT

Mr. David Johnson reviewed the Legislative Report and gave the Commission an update of legislative matters concerning the Department. Copies of the Legislative Report were available to the public and Mr. Johnson was available to answer questions from the Commission members.

Mr. Johnson reported that the Legislature adjourned in September and the Governor immediately called for a special session on issues of health insurance and water development. He said the Governor has until October 14 to either veto or sign legislation.

Mr. Johnson said AB 118 (Nunez) was amended late in session. He said the bill would double the vessel registration fee from \$20 to \$40 every two years and the money would be used for grants for engine technology research and other ways to reduce the urban footprint. Chairwoman Clark asked if any response was made after the bill analyst was sent to the Administration. Mr. Johnson responded there has not been any response from the Governor's office.

AB 695 (Karnette), he said, is on the Governor's desk and the bill would close a loop hole when a person is buying a new boat from out-of-state in regards to clean emission engines.

Mr. Johnson reported on AB 958 (Evans), Spud Point Marina bill. He stated the Department has received \$2 million and the letter of credit from the County of Sonoma. Mr. Johnson added if the County defaults on any annual payment, the Department can call on the entire outstanding loan. He said the bill deletes the authority of the subcommittee, which is made up of commercial fishermen and deletes the phrase from 1982 which states the loan will be paid in full. Mr. Johnson added that the Department loaned the County \$5.9 million and will get back \$8.6 million including interest.

Mr. Johnson reported on two Federal bills, HR 2550 and HR 3223. He said HR 2550 (Taylor), would make individual boaters subject to the federal Environmental Protection Agency strict National Pollutant Discharge elimination System permit process. Mr. Johnson stated the Department has been unsuccessful in obtaining a position from the Administration. HR 3223, he said, would amend the Coastal Zone Management Act of 1972 to establish a grant program to coastal states to ensure coastal access for commercial and recreational purposes. He added the Department has been trying to obtain a position on this bill as well.

Chairwoman Clark asked about SB 78 and the intent language that was a trailer on the budget bill requiring the Department of Parks and Recreation to prioritize funds appropriated to the Department from the Harbors and Watercraft Revolving Fund. Mr. Johnson responded that the bill is budget control and intent language and does not have impact of law. He said the only thing that State Parks does in the bill is operations and maintenance of the boating facilities. Mr. Johnson indicated the language of the bill was brought to the attention of the Administration but the bill was signed anyway. He added that he will be contacting the representative from State Parks and talk about the issue.

Chairwoman Clark said she will write to the Chair of the Parks and Recreation Commission thanking them for the meeting with the two Parks and Recreation Commission members, and to memorializing the meeting, setting up dialog and begin to set up the follow-up meetings. Mr. Johnson said Department staff will be happy to prepare the letter.

Commissioner Rupf said it would save time if dates and location are picked in advance and invite the Parks and Recreation Commission to the next Boating and Waterways Commission meeting. He said Mr. Tsuneyoshi should call the State Parks and Recreation director and invite them to the next Commission meeting. Mr. Tsuneyoshi said it can be done.

OLD BUSINESS

Quagga Mussels

Commissioner Metz asked what is the role and responsibility of the Department with respect to the prevention, eradication of the invasive species.

Ms. Sandoval gave a PowerPoint presentation on the Quagga mussel. Some of the key points stated were:

- Initial Discovery
- Discovery sites
- How they got to California
- Why the concern
- Quagga mussel characteristics
- Economic impact
- Environmental impacts
- Recreational impacts
- How can a boater help

Commissioner Metz asked if it is a significant threat. Ms. Sandoval responded the mussel is still a threat but the spread of the mussel can still be done.

Commissioner Rupf asked why \$400,000, was paid to the Department of Motor Vehicles. Mr. Johnson responded that each department under the Resources Agency was contributing something to the issue and the Department felt it was an outreach effort that was very important and the timing had to be immediate. The \$400,000, he said, was for mailing of the information of Quagga mussel and included the printing of the documents, working with DMV and the mailing of the information.

PUBLIC COMMENTS

There were no public comments.

COMMISSIONER ANNOUNCEMENTS

Meeting Schedule for 2008

Vice Chair Rupf indicated that Commissioner Purdon will not be in California in February, March and April, so the Commissioners will send to the Chair the dates that they will be available and she will give those dates to Department staff.

Commissioner Metz suggested that a meeting be scheduled in the Delta sometime in the near future. Mr. Johnson responded that a law enforcement presentation could be done for the Delta meeting. Vice Chairman stated it will be a good idea.

After discussion, it was decided that the next Commission meeting will be December 7, 2007, in San Diego.

ADJOURN

Vice Chair Rupf adjourned the meeting at 2:02 p.m.

Raynor Tsuneyoshi, Secretary